

**Perfect Medical Health Management Limited**  
**(the “Company”)**  
**Terms of Reference for Remuneration Committee**  
**(adopted on 5 December 2011 and amended on 20 March 2012)**

**Definitions**

1. For the purposes of these terms of reference (the “*Terms*”):

*Board* means the board of directors of the Company.

*Company* means Perfect Medical Health Management Limited.

*Company Secretary* means the company secretary of the Company.

*Directors* mean the members of the Board.

*Group* means the Company and its subsidiaries from time to time, and, for the period before the Company became the holding company for such subsidiaries, the entities which carried on the business of the Group.

*Listing Rules* means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time).

*Remuneration Committee* means the remuneration committee established by the resolution of the Board in accordance with clause 3 of these Terms.

*Senior Management* means the executive Directors and other members of senior management referred to in the Company’s prospectus issued in connection with its initial listing on the Stock Exchange or in its most recent annual report and any such other officer of the Group determined by the Board from time to time as senior management of the Company.

*Shareholders* mean the shareholders of the Company.

*Stock Exchange* means The Stock Exchange of Hong Kong Limited.

2. The word “remuneration”, as used in these Terms, includes without limitation any salaries, bonuses, allowances, benefits (in cash or in kind), pension arrangements, reimbursements, compensation payments (including any compensation payable for loss or termination of office or appointment), incentive payments and share options.

**Constitution**

3. The Remuneration Committee was established by resolutions of the Board on 5 December 2011.
4. These Terms of Reference are amended on 20 March 2012 pursuant to the Corporate Governance Code effective on 1 April 2012.
5. The revised version shall supercede any terms of reference previously adopted by the board of directors of the Company.

## **Membership**

6. The members of the Remuneration Committee shall be appointed by the Board from time to time from among the Directors and shall consist of not less than three members, a majority of whom shall be independent non-executive Directors. The chairman of the Remuneration Committee shall be appointed by the Board and shall be an independent non-executive Director.
7. Each member of the Remuneration Committee shall disclose to the Remuneration Committee:
  - (a) any personal financial interest (other than as a Shareholder of the Company) in any matter to be decided by the Remuneration Committee;
  - or
  - (b) any potential conflict of interest arising from a cross-directorship. Any such member shall abstain from voting on resolutions of the Remuneration Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions, and shall (if so required by the Board) resign from the Remuneration Committee.
8. At the invitation of the chairman of the Remuneration Committee, the chairman of the Board and/or executive Directors, external advisers and other persons may be invited to attend all or part of any meetings.
9. The Company Secretary shall be the secretary of the Remuneration Committee. The Remuneration Committee may, from time to time, appoint any other person with the appropriate qualification and experience as secretary of the Remuneration Committee.

## **Frequency and conduct of meetings**

10. Meetings shall be held at least once a year. The chairman of the Remuneration Committee shall convene a meeting upon request by any member of the Remuneration Committee.
11. Notice of any meetings shall be given at least 7 days prior to any such meeting being held, unless all members of the Remuneration Committee unanimously waive such notice. Irrespective of the length of notice being given, attendance of a meeting by a member of the Remuneration Committee shall be deemed waiver of the requisite length of notice by such member. Notice of any adjourned meetings is not required if adjournment is for less than 7 days.
12. The quorum for meetings of the Remuneration Committee shall be two members. Meetings could be held in person, by telephone or by video conference.
13. Resolutions of the Remuneration Committee at any meetings shall be passed by a majority of votes of the members of the Remuneration Committee present. A resolution in writing signed by all the members of the Remuneration Committee shall be as valid and effectual as if it had been passed at a meeting of the Remuneration Committee duly convened and held.

14. The Senior Management is obliged to supply the Remuneration Committee with adequate information in a timely manner, in order to enable it to make informed decisions. The information supplied must be complete and reliable. Where a member of the Remuneration Committee requires more information than is volunteered by the Senior Management, the relevant member of the Remuneration Committee should make additional necessary enquiries. The Remuneration Committee and each of its members shall have separate and independent access to the Senior Management.

### **Annual General Meetings**

15. The chairman of the Remuneration Committee, or in the absence of the chairman of the Remuneration Committee, another member of the Remuneration Committee, or failing which, his duly appointed alternate, shall attend the Company's annual general meetings and be prepared to respond to any Shareholder's questions on the Remuneration Committee's activities and its responsibilities.

### **Authority**

16. The Remuneration Committee is authorised by the Board to discharge its duties within these Terms. It is authorised to seek any remuneration information it requires from the Directors and/or Senior Management who are directed to co-operate with the Remuneration Committee.
17. The Remuneration Committee is authorised by the Board to obtain external independent professional advice at the expense of the Company and to secure the attendance of outsiders with relevant experience and expertise if the Remuneration Committee considers this necessary. The Remuneration Committee shall be provided with sufficient resources to discharge its duties. The Remuneration Committee should be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any external remuneration consultant who advises the Remuneration Committee.

### **Duties**

18. The duties of the Remuneration Committee shall include:
  - (a) making recommendations to the Board on the Company's policy and structure for all Directors' and Senior Management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
  - (b) being responsible for making recommendations to the Board on the remuneration packages of individual executive Directors and Senior Management (this should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment), and making recommendations to the Board on the remuneration of non-executive Directors. The Remuneration Committee shall consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;

- (c) reviewing and approving the management's remuneration proposals with reference to the Board's corporate goals and objectives;
  - (d) reviewing and approving compensation payable to executive Directors and Senior Management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
  - (e) reviewing and approving compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and
  - (f) ensuring that no Director or any of his associates is involved in deciding his own remuneration.
19. In carrying out its duties under these Terms, the Remuneration Committee should consult the chairman of the Board and/or the chief executive about their remuneration proposals for other executive Directors and have access to independent professional advice if necessary.

#### **Reporting procedures**

20. Minutes of the Remuneration Committee's meetings shall be kept by a duly appointed secretary of the meeting (who should normally be the Company Secretary), and such minutes shall be available for inspection at any reasonable time on reasonable notice by any Director.
21. Minutes of meetings of the Remuneration Committee shall record in sufficient detail the matters considered by the Remuneration Committee and decisions reached, including any concerns raised by Directors, members or dissenting views expressed. Draft and final versions of minutes of the meetings should be sent to all members of the Remuneration Committee for their comment and records within a reasonable time after the meetings.
22. Without prejudice to the generality of the duties of the Remuneration Committee set out in these Terms, the Remuneration Committee shall report back to the Board and keep the Board fully informed of its decisions and recommendations, unless there are legal or regulatory restrictions on its ability to do so.

#### **Terms available**

23. The Remuneration Committee shall make available these Terms by inclusion on the websites of the Stock Exchange and the Company's official website for corporate communications.